



Dual Use Applications Program

Commercial O&S Savings Initiative

Overview for the NARSOC

Bryan Howard, ASN(RD&A)ARO

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Agenda

- | Overview of the Process
- | Results and Status
- | Issues and Lessons Learned

Program Goals

- | “develop and test a method for reducing operations and support costs through the insertion of commercial products and processes into fielded systems”

- |

Return on Investment

- | Cultural Change - This is business as **un**usual
 - Other Transactions Authority
 - Focus on Total Ownership Cost
 - Lessons Learned and the future of COSSI

Evaluation Criteria

1. O&S Savings
2. Commercial Technology Leverage
3. Equivalent System Performance
4. Technical and Management Approach
5. Military Customer Commitment
6. Non-Federal Cost Share

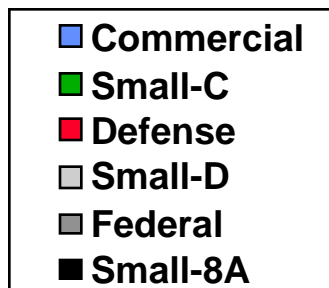
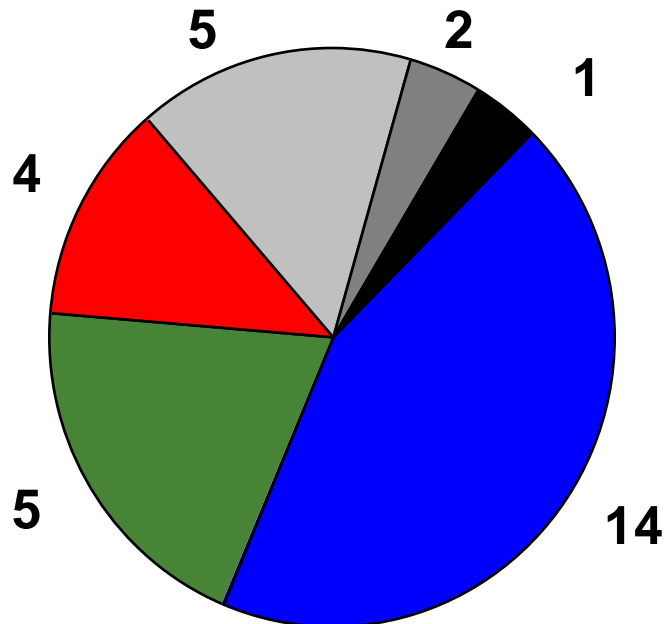
	Total	Navy/MC	Army	Air Force
# Received	81	31	24	26
\$ Value of Gov't Share, Stage I	\$336M	\$116M	\$82M	\$138M

	NAVAIR	NAVSEA	Marine Corps	SPAWAR
# Received	11	11	6	3
\$ Value of Gov't Share, Stage I	\$61M	\$29M	\$23M	\$3M

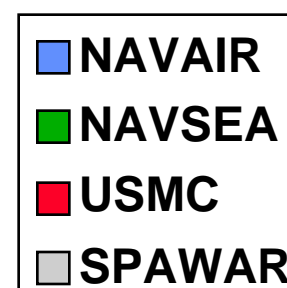
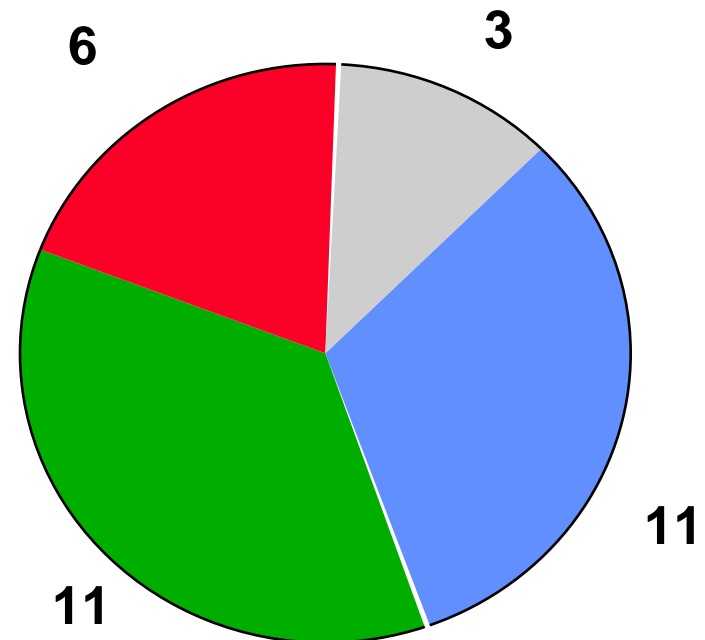


Cultural Change

Company Type



Buying Command



Proposals Recommended

NAVAIR

- S45T3** Install and Support an Integrated Aircraft Usage and Cond Monitoring System in the H-60&53 Helicopters
- S18T1** Military Qual. of a High-Reliability, Light-Weight 24V/30A Aircraft Battery
- S09T1** E2C/C2A Inspection Kit (BLK)
- S32T4** Wind Measurement and Indicating System (WMIS)
- S44T2** Commercially Based Processor for F/A-18C/D
- S35T2** NP2000 Propeller System
- S03T1** Digitization of the E-2C Hawkeye Technical Manuals and Data
- S77T3** Portable Computer-Aided Test Station
- S08T1** Advanced Thermal Imaging for Composite Propellers
- S40T4** MMIC T/R Module Conversion Kit
- S74T4** Helicopter Diagnostic System

Marine Corps

- S02T1** Portable Engine Test Cell Capability for H-53 Series Helicopters
- S80T3** USMC SIGINT/EW Systems Interoperability
- S06T1** Laser Cladding Applications in the Operation and Support of Land Based Vehicles
- S72T3** Dieselization of Military Motorcycles
- S78T3** Sapient Corp./USMC ATLASS II+ COSSI Proposal
- S86T2** Indirect Injected Diesel Engine

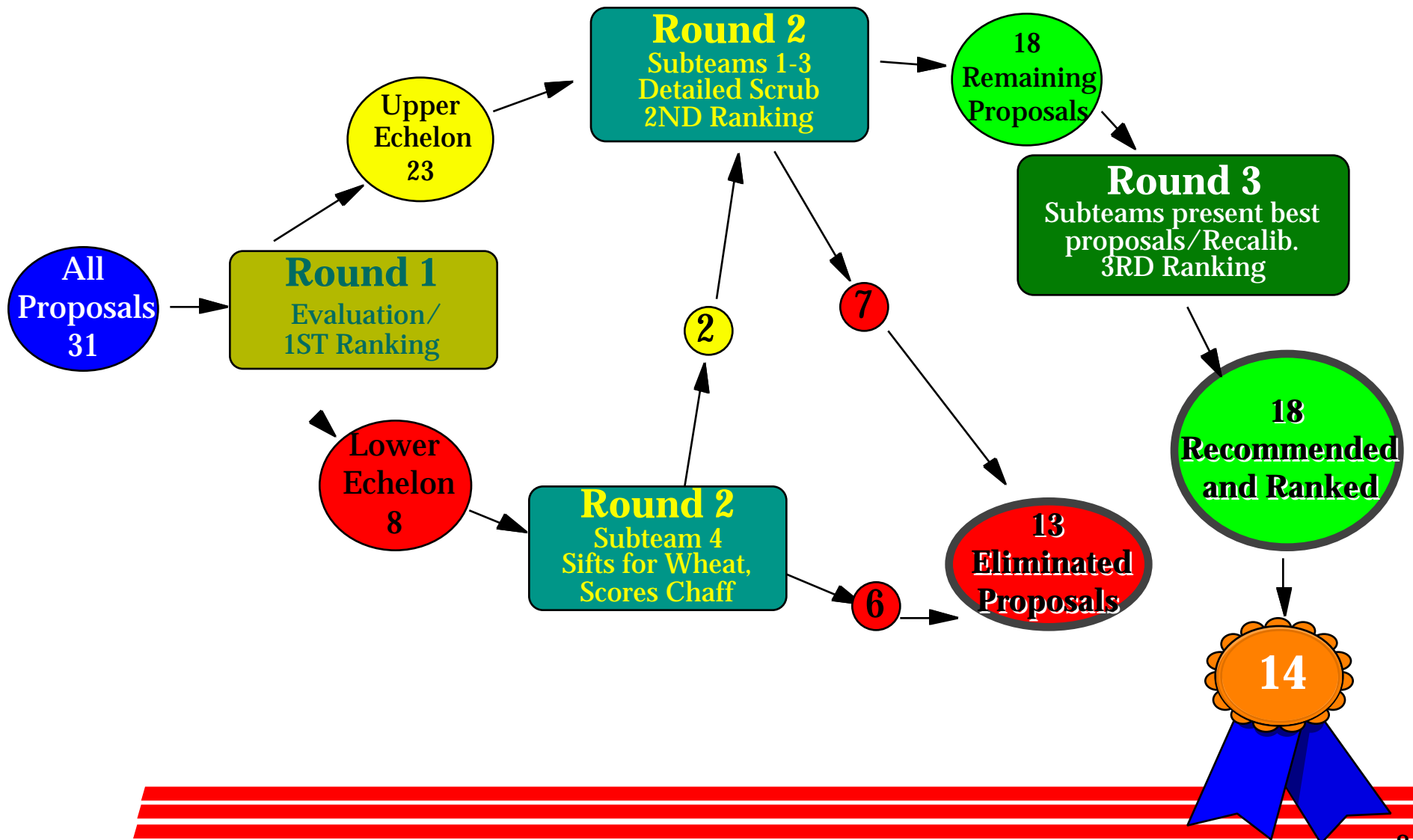
NAVSEA

- S34T2** Acoustic Emission and Ultrasonic Testing for Periodic Inspection of Pneumatic Pressure
- S28T2** Lithium Ion Polymer Batteries for NAVY Undersea Vehicles
- S84T3** Reconfigurable Logic Engine for Legacy Systems (AN/SPS-67 radar)
- S36T2** COTS Insertion Program for AN/BQR-22A Sonar
- S68T3** Advanced Digital/Logistic Integrated Data Capture and Analysis
- S10T1** HYDRA Wirefree Communications System for Amphibious Platforms
- S39T2** EFF Kit Insertion
- S48T2** Integrated Navigation System Direct Reader of Digital Charts Project
- S56T3** Commercial Active Matrix Liquid Crystal Display Flat Panel for Use as a Replacement for Legacy Cathode Ray Tube (CRT) Application
- S27T4** Shipboard Mtls Assessments for Reduced-Manning Technologies for SC-21
- S22T4** Desalinated Water Supply for Military Bases

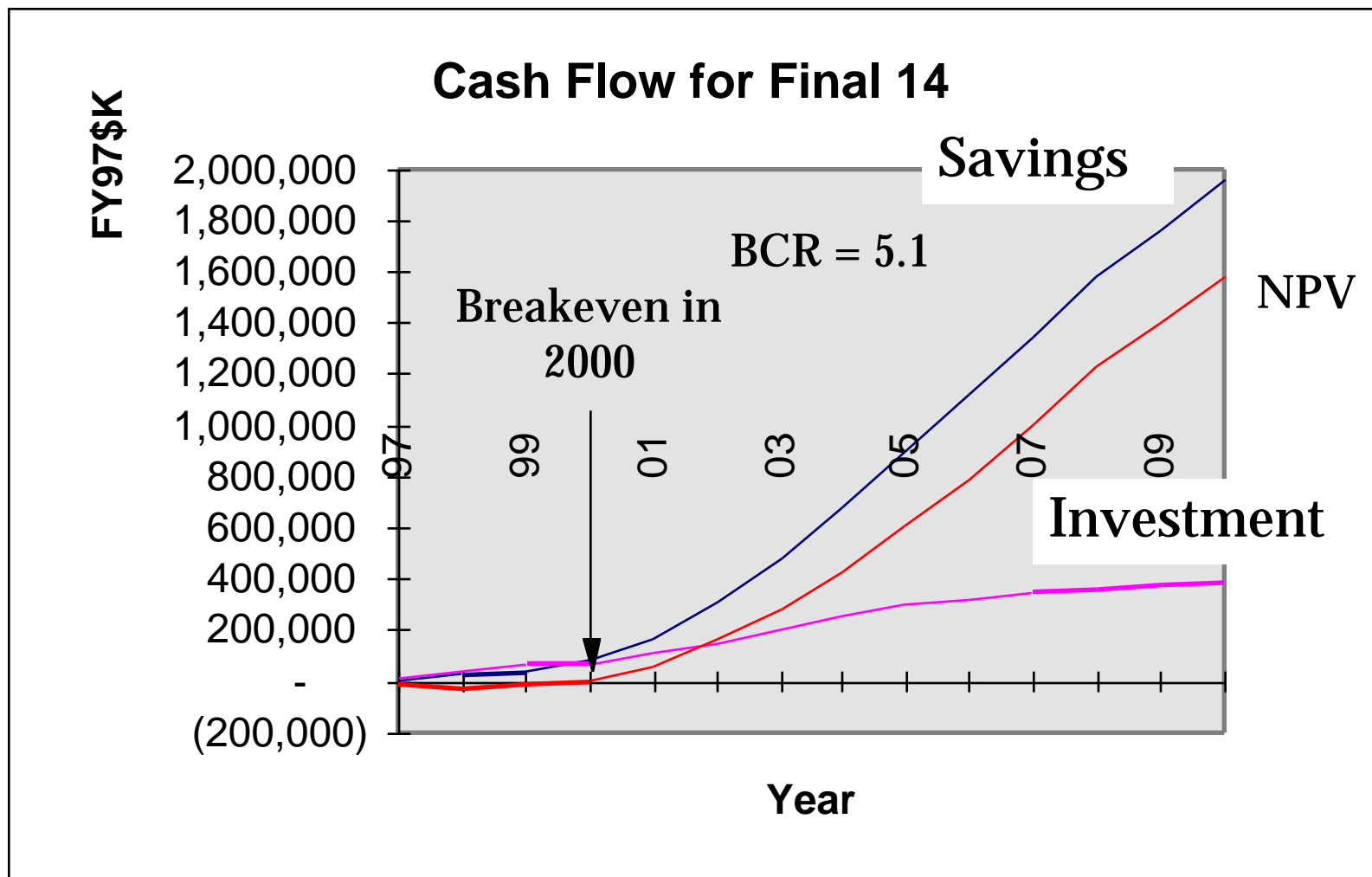
SPAWAR

- S51T1** Tivoli Integrated Systems Management (Software) Tools
- S13T1** FltCast DUAP Proposal
- S15T4** Multi-Purpose Power Sensor

Team Process Overview



Profile for Top 14 Proposals over Time



Results

- | 31 Proposals evaluated by Navy
- | 18 Ranked and Recommended to JDUPPO
- | Expected Stage I cost for 14 proposals
 - 4 programs for NAVAIR = \$23.8M
 - 5 programs for NAVSEA = \$14.4M
 - 3 programs for USMC = \$2.7M
 - 2 programs for SPAWAR = \$2.4M

Total	\$43.3M
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- | Leverages to **\$101M** investment in Stage 1



Process Overview

| High fidelity, Repeatable Process

- Well Documented Approach
- Process Improvements Identified
- ASN(RD&A), ASN(FM&C), and N-4 Participated

| Top-Level Support

- Total Ownership Cost Goal Management Board Endorsement
- DCNO for Logistics Concurrence
- Navy Acquisition Executive Approval

| Excellent Value

- BCR = 5.1, NPV = \$1.6B
- Breakeven in FY00
- 57% Average Industry Cost Share

| Wide Cultural Change Opportunity

- Cross Functional Specialty Participation
- All Major Buying Command

Navy Goals

- ☒ The Best Process
- ☒ The Most Programs
- ☒ The Most Money

The First COSSI Contract

Have all contracts awarded within 6 weeks

Issues

- | **Recission for Bosnia**
- | **Who Executes these Programs?**
- | **When (and how) do I get the Money?**
- | **How do I do an OTA?**
- | **Is somebody going to steal my budget?
more than once?**
- | **What “oversight” is required?**

Lessons Learned

- | **Tweek the process to increase efficiency**
 - simplify cost and savings proposal
 - standardize proposal formats
 - provide generic spreadsheets (via homepage)
 - common, comprehensive cost database
- | **Greater involvement by the PMO**
 - prepare your industry partners
 - commitment to technical solution
 - plan to win!

COSSI Schedule of Events

17-18 MAR	Contract Specialist Training
18 MAR	Proposals Reviewed and Ranked by
- 7 APR	Navy Team
10 APR	Pre-brief to ARO and N-4B
11 APR	Pre-brief to TOC GMB
14 APR	Brief to ASN(RD&A), results approved
17 APR	Approved Navy list submitted to JDUPO
21 APR	NAVY/MC projects briefed to JDUPO
23-25 APR	JDUPO consolidates across services
2 MAY	Winners announced by USD(A&T)
TBD	Navy Awards 1st COSSI Contract
TBD + 6 wks	Navy Completes award of all 14 COSSI Contracts
30 SEPT	COSSI '97 funds expire

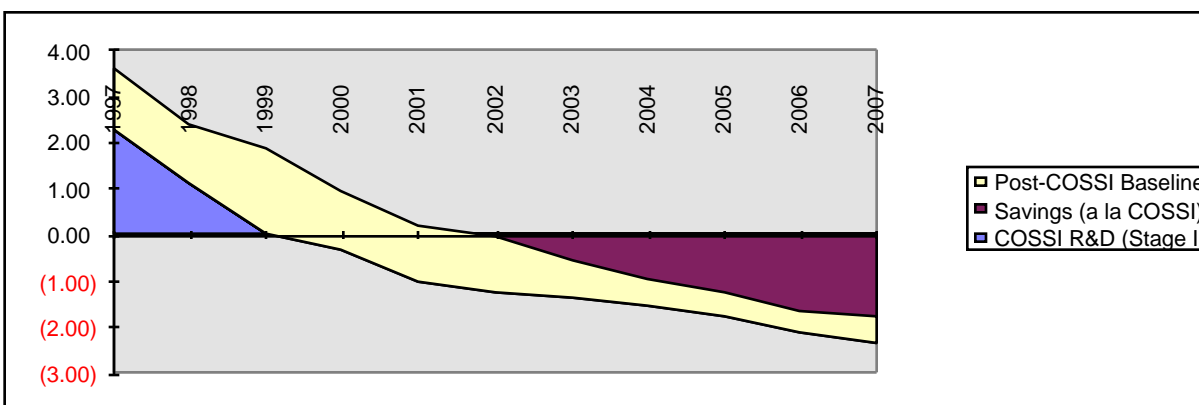
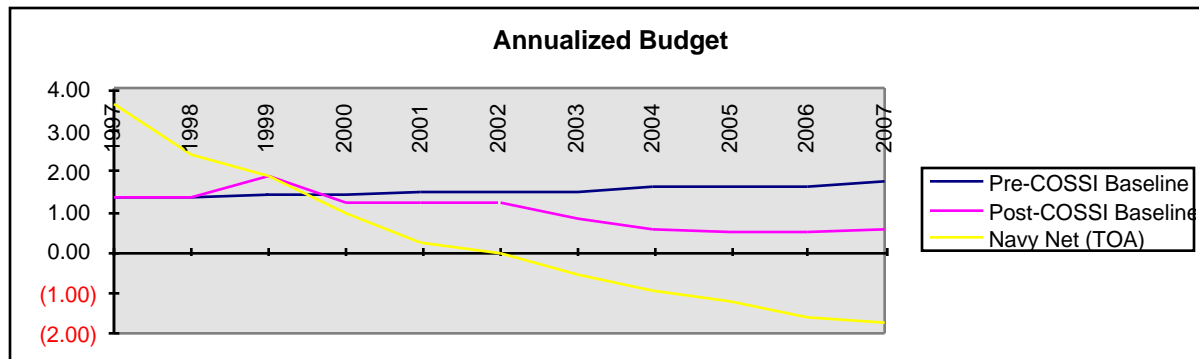


Back-up Slides



Program Baseline

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
COSSI R&D (Stage I)	2.30	1.10									
PM's Investment (Stage II)			1.10	1.10	1.20	1.20	0.80	0.60	0.50	0.50	0.60
Savings (a la COSSI)				(0.30)	(1.00)	(1.25)	(1.35)	(1.55)	(1.75)	(2.15)	(2.35)
Pre-COSSI Baseline	1.30	1.30	1.40	1.40	1.50	1.50	1.50	1.60	1.60	1.60	1.70
Post-COSSI Baseline	1.30	1.30	1.88	1.25	1.20	1.20	0.80	0.60	0.50	0.50	0.60
PM Impact	0.00	0.00	0.48	(0.15)	(0.30)	(0.30)	(0.70)	(1.00)	(1.10)	(1.10)	(1.10)



Recommended Proposals in Rank Order

	Proposal	Military Customer	Stage 1 Investment FY97\$K	Stage 2 Investment FY97\$K	Savings FY97\$K	Net Present Value FY97\$K	Benefit-Cost Ratio	Payback Period Years	Cum. Stage Investment FY97\$K	Length Stage Years	Stage Kits
1	Acoustic Emission and Ultrasonic Testing for Periodic Inspection of	NAVSEA	(294)	(491)	40,166	39,381	51.1	1.0	(294.3)	1.50	4
2	Lithium Ion Polymer Batteries for NAVY Undersea Vehicles	NAVSEA	(3,393)	-	60,575	57,182	17.9	3.0	(3,687.3)	2.00	140
3	Portable Engine Test Cell Capability for H-53 Series Helicopters	NAVSEA	(359)	(2,532)	45,717	42,826	15.8	2.2	(4,046.3)	1.00	20
4	USMC SIGINT/EW Systems Interoperability	MC	(1,830)	(4,586)	41,810	35,393	6.5	6.0	(5,876.7)	2.00	30
5	Install and Support an Integrated Aircraft Usage and Condition	NAVSEA	(8,679)	(215,728)	1,321,844	1,097,437	5.9	1.5	(14,555.4)	2.00	58
6	Tivoli Integrated Systems Management (Software) Tool	SPAWAR	(2,258)	(256)	10,751	8,237	4.3	1.0	(16,813.1)	1.00	2
7	Reconfigurable Logic Engine for Legacy Systems (AN/SRS-67 Radar)	NAVSEA	(1,586)	(938)	7,695	5,171	3.0	5.5	(18,398.9)	2.00	2385
8	Military Qual. of a High-Reliability, Light-Weight 24V/30Ah Aircraft Battery	NAVSEA	(254)	(4,376)	9,517	4,887	2.1	4.2	(18,652.5)	1.50	702
9	Laser Cladding Applications in the Operation and Support	MC	(373)	(4,062)	6,108	1,672	1.4	1.0	(19,025.5)	1.00	170
10	COTS Insertion Program for AN/BQR-22A Sonar	NAVSEA	(3,105)	(10,581)	20,385	6,699	1.5	3.2	(22,130.5)	1.50	50
11	FltCast DUAP Proposal	SPAWAR	(178)	(1,664)	12,426	10,585	6.7	2.0	(22,308.3)	0.75	415
12	E2C/C2A Inspection Kit (BLK)	NAVAIR	(200)	(1,166)	4,998	3,632	3.7	3.0	(22,507.9)	0.42	15
13	Wind Measurement and Indicating System (WMIS)	NAVAIR	(341)	(3,779)	5,030	910	1.2	4.3	(22,848.8)	1.33	70
14	Commercially Based Processor for F/A-18C/D	NAVAIR	(14,364)	(80,104)	331,221	236,753	3.5	3.0	(37,212.8)	2.50	250
15	Advanced Digital/Logistic Integrated Data Capture and Analysis	NAVAIR	(4,853)	(14,384)	40,915	21,678	2.1	3.0	(42,065.9)	3.00	4
16	NP2000 Propeller System	NAVAIR	(17,500)	(43,920)	84,161	22,742	1.4	6.5	(59,565.9)	2.00	162
17	Dieselization of Military Motorcycles	MC	(865)	(1,196)	5,568	3,507	2.7	3.7	(60,430.8)	2.00	42
18	HYDRA Wirefree Communications System for Amphibious Landing Platforms	NAVSEA	(3,440)	(48,572)	83,366	31,353	1.6	6.1	(63,871.3)	1.00	30